

SENATE BUDGET COMMITTEE
DEMOCRATIC CAUCUS
KENT CONRAD, RANKING MEMBER

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SENATE BUDGET COMMITTEE RANKING MEMBER SAYS BUSH TAX CUT THREATENS DEFENSE BUDGET

Washington, DC – Senator Kent Conrad, the Ranking Member on the Senate Budget Committee, warned today that President Bush's massive tax cut plan may imperil future defense budgets. Conrad's remarks came in a Senate Budget Committee hearing that focused on the needs of the Pentagon in the coming years.

"While projected surpluses call for a significant tax cut, I am concerned President Bush's \$1.6 trillion tax cut plan will leave no money left over to address the daunting challenge of forging a new force for the new century," said Conrad. "While the U.S. military is today the world's most hi-tech, best trained and most mobile in the history of the world, it will need to change and improve to confront a global threat more diverse and unpredictable than at anytime during the last half century."

Conrad said he supports President Bush's top-to-bottom sweeping review of the Pentagon and examination of future defense needs. In fact, he joined a majority of his colleagues in voting for legislation last year requiring a strategic defense review to take place this fiscal year.

"While the President is right to conduct a comprehensive defense review, he is wrong to push such a massive tax cut through before the review is complete, and its financial consequences known," explained Conrad. "What will the President do if his review provides a compelling reason to increase defense spending? With his tax cut eating up all of the surpluses, where will the President find the money to properly fund the new needs of the military?"

"In 1981, the last time a Republican President took over from a Democrat we had enormous increases in defense spending that were not part of a larger overall budget plan that made sense," warned Conrad. "We paid a dear price in out of control deficits and mounting debt. Let's not make this same mistake again."

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Conrad called for a sustainable defense budget that meets the needs of national security, but does not threaten the nation's long-term fiscal health. He rejected calls by some in the military community for massive defense hikes of as much as \$100 billion per year arguing that would bring us near Cold War highs for defense spending which he characterizes as not appropriate from a national security standpoint, and would break the budget. Conrad also cautioned against a massive tax cut that would stand in the way of a stronger defense and break faith with the men and women of the armed forces.

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